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By SP-5 NARA Date 12/1/78

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E.O. 12958, as amended

September 6, 2007

DEPARTMENT OF STATE

AIRGRAM

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HANDLING INDICATOR

TO : Department of State

INFO : ALGIERS, AMMAN, BONN, BEIRUT, BRUSSELS, DAKAR, JIDDA, KHARTOUM, KUWAIT, LONDON, MADRID, MOSCOW, PARIS, ROME, TRIPOLI, TUNIS, UNCINCEUR, USAFE, US MISSION NATO, CASABLANCA, TANGIER

FROM : Amembassy RABAT

DATE: February 17, 1969

SUBJECT : US Policy Assessment for Morocco

REF : 11 FAM 212.3-5 ; RABAT 722

I. SUMMARY

Soviet drive into Western Mediterranean and defection of France from NATO underline importance of strategic US presence and facilities in Morocco and their integral role in Western defense system. Excellent relations with GOM have kept US presence intact, but Soviet influence has grown rapidly. In face of massive influx of Soviet arms and technicians into Algeria as part of Soviet policy of cut-rate arms sales to create exploitable areas of tension, national security and economic development are Morocco's prime concerns. US and Western economic and military aid have not been fully responsive to these concerns. At same time, Arab-Israel confrontation generates pressures on King Hassan to adopt more neutral posture and to align Morocco with Arab extremists. In this connection, concern that Middle East tensions could provoke major conflagration has created nascent receptivity in Morocco to Yugoslav, Spanish and French proposals for neutralization of Mediterranean through withdrawal of US and Soviet fleets. USSR is prepared to help King economically and, in difficult years ahead, to exploit threats to Moroccan stability to detriment of US. In these circumstances, US also may face return to grant military assistance or prospect of concessional Soviet military aid to Morocco. Clear mark of ^{Soviet} interest in Morocco is Podgorny visit scheduled in March 1969. Strategic importance and economic potential of Morocco warrant special effort to blunt Soviet drive. Higher levels of US-inspired multilateral and bilateral economic aid supplemented by grant military assistance would go far toward giving

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POL:HERussell Jr:hs 17 Feb 69

Contents and Classification Approved by:

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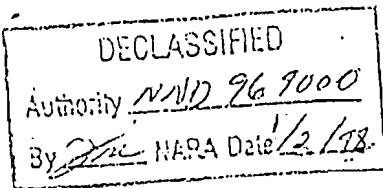
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King greater sense of security within context of improving economy. Morocco is Western-oriented and King would prefer association with West. Like most leaders, however, he feels bound to act according to his view of Morocco's vital interests.

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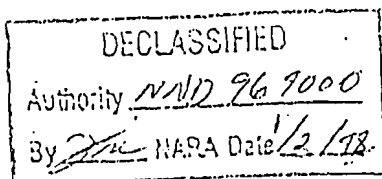
II. CURRENT ASSESSMENT

A. Strategic Importance of Morocco

Primary importance of Morocco is its strategic location commanding entrance to Mediterranean. US presence in Morocco helps assure against harassment of Sixth Fleet use of Straits of Gibraltar and lines of supply and communications to southern NATO and CENTO countries. Morocco also provides site for vital military communications and VOA relay station. Thus, continued US presence in Morocco is integral part of Western defense system. French defection from NATO, Soviet naval buildup in Western Mediterranean and growing Soviet military and economic presence in Algeria further enhance strategic importance of Morocco to US.

B. Gains and Losses

1. In absolute terms, US achieved most of its 1968 policy objectives in Morocco. Excellent relations with GOM safeguarded US presence in Morocco which helps protect southern flank of NATO and assisted in assuring free access to Mediterranean for US military forces. Important US military communications facilities needed for effective air and sea operations in Atlantic and Mediterranean and VOA transmitter to Eastern Europe continued to operate in Morocco without impediment. Morocco played constructive, moderating role in Arab and African councils, e.g. a) GOM supported Jarring Mission and advocated peaceful solution to Arab-Israel confrontation, despite growing pressures from Palestine resistance movement, and b) GOM called for end to arms race with Algeria, and end to civil strife in Nigeria. GOM made progress toward resolving major differences with Algeria, Spain and France. King Hassan took initiative to improve relations with Algeria by downplaying sensitive arms and border issues and agreed to cooperative regional economic effort to build greater Maghreb. High level bilateral contacts with Spain resulted in "retrocession" of Ifni to Morocco. Resumption of limited French economic assistance helped set stage for eventual normalization of Moroccan-French diplomatic relations. Internal stability contributed to assuring progress on King's economic development effort.



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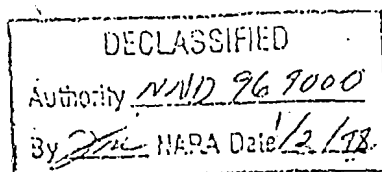
2. In relative terms, however, US position in Morocco deteriorated. While US presence remained intact, Soviet influence grew rapidly. Following opening of Soviet Consulate General in Casablanca in 1967, significant milestones included a) Soviet agreement to build Jerada thermal electric power plant, b) signature of five year Soviet trade agreement, and c) first Soviet naval visit. Other illustrations of success of communist efforts to expand influence in Morocco were a) Bulgarian contract to fly Moroccan pilgrims to Mecca in 1969, b) communist victory in Rabat student union (Union Nationale des Etudiants Marocains) election, c) tacit GOM approval of establishment of PLS (Parti de la Libération et du Socialisme) which is legal cousin of proscribed Moroccan Communist Party, and d) steady flow of visitors to and from Soviet Union and Eastern European countries. At same time, price of Algerian agreement on economic cooperation reportedly is that Morocco should assume more non-aligned posture. Soviet support of Arab cause in Arab-Israel confrontation and failure of West to meet sufficiently Moroccan needs for foreign economic and military assistance and for new markets have been major factors in success of rapid Soviet military build-up in Mediterranean and communist economic penetration of Morocco.

C. Analysis of Policies and Conditioning Factors

1. Measure of US success or failure in achieving its objectives in Morocco depends on degree to which US policies contribute to Morocco's security and economic development, both prime concerns of King Hassan. While King appreciates US power, values long association with US, and believes US global aims of peace through firm opposition to communist subversion and aggression are in Morocco's long-term best interest, he prizes tangible assets above all. Substantial US economic assistance has been of major importance to Morocco and has helped to counteract Moroccan concern about US supply of arms to Israel, and frustration at what Moroccans consider preferential US treatment of Israel in Arab-Israel confrontation. US inability despite February 1967 presidential commitment to deliver arms requested by King early in 1966 until 1969 and later, however, cast doubt upon US willingness to help ease concerns of King about security. At same time, US and Western European economic assistance have not met Morocco's trade and economic development needs and IBRD assistance remains uncertain. Similarly, with little prospect of adequate Western military help, Morocco continues to face massive arms imbalance with Algeria whose growing military capability is assured by presence of Soviet technicians.

Similar delay
on King's visit
to US could
be costly.

2. King and GOM are aware that Western Mediterranean, including Morocco, has become major target of Soviet influence. Much as he recognizes threat, he considers that Soviet presence in Mediterranean is big power problem,



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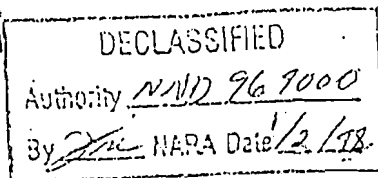
beyond Morocco's capabilities to handle. While wary of Soviet intentions in Morocco, King is confident he knows his people and can handle dangers inherent in dealings with USSR. Ties with USSR and communist countries appear to him to offer certain political, economic and military advantages, e.g.

- ? a) badly needed additional capital for economic development, #5
b) added outlets for Moroccan citrus and phosphates, #3
c) greater access to East European arms supplies, #1
d) counterpoise to arms imbalance with Algeria and deterrent to possible hostile actions of GOA, #2
e) tangible answer to internal critics who oppose close association with US because of its support for Israel, and #4
f) improved Moroccan position with non-aligned third world countries. #6
- (Priorities - 62)

In brief, Morocco is Western-oriented and King would prefer association with West. Like most leaders, however, he feels bound to act according to his view of Morocco's vital interests.

3. Achievement of US objectives in Morocco depends on understanding nature of Soviet drive into Western Mediterranean, as well as Moroccan reaction to it. USSR seeks to expand its influence through exploitation of three cause of instability in Middle East and North Africa, namely a) Arab-Israel dispute, b) struggle for dominance between traditional and socialist Arab regimes, and c) economic underdevelopment of Arab World. Soviet policies endeavor to a) polarize area along Soviet-Arab vs US-Israel lines, b) strengthen pro-Soviet Arab socialist regimes by massive military and economic support, and c) weaken Western ties with traditional Arab regimes through attractive economic aid offers and prepare ground for change of leadership at opportune later date.

4. Economic and military aid to key Arab countries, such as Morocco, are required to defend US and Western interests in area. Soviet selection of Algeria as strategic bridgehead into North Africa, similar to UAR in Near East and Somalia in East Africa, vitally affects security of Morocco, and political climate arising from Arab-Israel confrontation facilitates Soviet economic and military drive. Moreover, concern that Middle East tensions could provoke major conflagration has made certain elements in Morocco receptive to Yugoslav, French and Spanish proposals for neutralization of Mediterranean through withdrawal of US and Soviet fleets.



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III. FUTURE PROJECTION

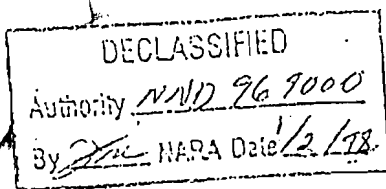
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A. US world power, and its successes and failures elsewhere, will condition US influence in Morocco somewhat, but determining factor will be extent to which US can help Morocco in its quest for security and economic development. Fact that twenty-year Moroccan-Algerian treaty of January 15, 1969, fore-swears resort to force to settle differences may have eased somewhat King Hassan's concern over massive inventory of Soviet arms in Algeria and growing military capabilities of Soviet trained Algerian forces. While apparently prepared to await fulfillment of Algerian declarations of intent to cooperate economically, he and other senior GOM officials are under no illusion that treaty assures Moroccan security. Inherent hostility of socialist regime in Algeria to Moroccan monarchy has impelled King to maintain adequate deterrent force which will involve acquisition of additional military equipment, particularly transport and fighter aircraft. Current JSOP Force Guidelines project major Moroccan military materiel requirements that will total nearly \$57 million by FY 1974. Credit sale of this equipment would impose mounting debt burden that GOM will find increasingly difficult to carry given demands on foreign exchange reserves imposed by accelerating tempo of economic development program. In these circumstances, GOM will find it increasingly difficult to refuse attractive Soviet aid offers, and US may face choice between return to grant military assistance and prospect of concessionary military aid to Morocco from Soviet Union or its satellites. Since growing Algerian military capabilities are measure of potential threat to security of Morocco, long term projection of Moroccan military requirements indicates need for an increase in military assistance for foreseeable future. Should Moroccan-Algerian relations again sour, GOM military force goals no doubt would increase substantially.

B. While Five Year Economic Development Plan is a soundly conceived and necessary program, time frame is too short to resolve long-term problems of assuring adequate local food production, employment and education for burgeoning population of Morocco. In next three to five years, therefore, Morocco may require more ~~than less~~ rather than less foreign economic assistance, and economic and military aid may become more important ingredients in defense of US and Western interests. Prospect is that to extent US and West are unable to meet Moroccan economic needs through bilateral and multilateral arrangements, opportunities for Soviet Union and communist satellite states to increase their influence will grow. Next foreseeable step is visit of Podgorny in March 1969 and logical sequel is further offer of Soviet economic aid, perhaps to be financed through Nazi-type clearing agreement favored by USSR and satellites and attractive to GOM.

ARMY 17 M
NAVY 25 M
AF 15 M
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C. Concomitant of foreseeable economic and social problems is increased danger to stability of Morocco. In event that economic development effort and social progress should fall seriously short of popular aspirations, influence of forces for political change with accompanying insecurity and instability (e.g. Istiqlal, UMT and UNFP) would increase sharply, as would ability of local communists, abetted by Soviet Union, to exploit deteriorating situation. Students and urban unemployed are predictable sources of unrest. GOM is aware of this prospect and efforts are underway to accelerate social and economic progress and educational reform. Meanwhile GOM is prepared to contain dissatisfaction of political opposition, students and labor by force if necessary. Tradition of monarchy is deeply ingrained, and loyalty of rural population, military and security forces, and civil government establishment, as well as elements of opposition, make it unlikely that forces for political change could create nationwide disturbance in immediate future.

D. Since USSR would profit at expense of US in case of disturbances, Soviet incitement and covert support of discontented elements in such circumstances appears certain. Resulting unrest would provide environment ideal of Soviet-inspired and supported propaganda and subversion against US presence in Morocco. Given pro-Israel image of US in Arab World, King would find it difficult to defend ~~close~~ close association with US against internal and external criticism. Pressure to dismantle existing US communications facilities and remove US military presence would follow. In these circumstances, unless US efforts to resolve Arab-Israel dispute change US image in Arab World, regional political climate that facilitated Soviet drive into Mediterranean and North Africa also would facilitate intensified Soviet effort to get US out of Morocco.

Given the total
lack of forward motion
on the Middle East dispute
over the past 21-22 months,
this is a real possibility.

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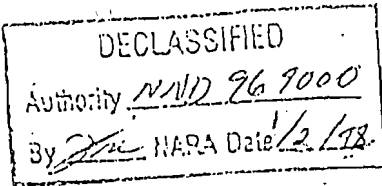
IV RECOMMENDATIONS

Foregoing future projection stresses dangers to vital US interests in Morocco, but, we believe, accurately portrays forces at work inside and outside Morocco and direction of their thrust. US faces difficult period ahead when conjunction of Moroccan domestic economic problems, expanding Soviet influence, uncertain relations with Algeria, and Arab-Israel problem could seriously damage US position in Morocco. Judicious and adequate response to Moroccan concerns about security and economic development, however, would enable US to take maximum advantage of existing assets such as pro-Western orientation of King Hassan and his people and King's determination to carry out far-reaching economic development program. Moreover, Morocco, unlike many African and Middle Eastern countries, has human and material resources necessary for successful transition from underdevelopment to economic viability in modern world. Strategic importance of Morocco, its economic potential and manageable size and nature of its development problems argue that US consider Morocco intensive aid target. Higher levels of US inspired multilateral and bilateral economic aid supplemented by small, but continuing grant military assistance program would go far toward counteracting effect of predictable anti-US forces in immediate future and safeguarding long-term US position in Morocco by assuring eventual success of Moroccan economic development effort. Specifically, Embassy recommends:

- A. Early invitation to King Hassan to visit US. As indication of continuing US interest in Morocco, prompt response to King's desire to meet President Nixon would have positive psychological effect on GOM attitude toward new administration and could affect Moroccan reception of Podgorny.
- B. Review of adequacy of US economic and military aid levels in Morocco in light of increased importance of Morocco as an asset in US struggle against growth of Soviet presence in area.
- C. Continued provision of PL-480 assistance to Morocco in volume dependent on needs of economy and contingent on continuation of Morocco's current vigorous self-help efforts in field of agricultural production.

Title I - not
when it comes

Title II - limited
ability to do so



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use still use
under to
identify
send project

D. Increased development loans, both sector and project, in cooperation with IBRD and Consultative Group of western aid donors to Morocco, over next four years to help finance balance of Moroccan Five Year Economic Development Plan.

E. Encouragement of Export-Import Bank and private investors to participate in Moroccan development effort.

F. Encouragement to NATO allies to seek bilateral and multilateral means to increase assistance to Morocco in security and economic development fields.

G. Regional development loan assistance for greater Maghreb projects after resumption of US-Algerian diplomatic relations.

First
request for
USG dollars

H. Additional local currency and dollar support for University of North Africa Association (UNAA) Project at Tangier. King is keen on this and GOM prepared put up large share of financing. Allocation of \$2 million of PL-480 local currency should assure launching of project. Long-run benefits to Morocco in terms of education for economic development and to US in terms of cultural and political influence in North Africa justify continuing effort to assure private and USG financing.

a mention

I. Continued US technical assistance in high priority aspects of agricultural and food production; education and training; family planning; and water resource development.

folish

J. Consistent with JSOP Force Guidelines and economic capability of GOM, provision of grant military assistance amounting to \$57 million over next five years. Also, return to a higher force level of US military advisory personnel to permit rapid improvement in capabilities of Moroccan military forces.

GP-2.

DICKINSON

